

THE INSURANCE DEPARTMENT OF THE STATE OF DELAWARE

IN THE MATTER OF:

**The Proposed Acquisition of Royal Indemnity
Company, a Delaware domiciled
property/casualty insurance company, Security
Insurance Company of Hartford, a Delaware
domiciled property/casualty insurance company,
Guaranty National Insurance Company, a
Delaware domiciled property/casualty insurance
Company, and Royal Surplus Lines Insurance
Company, a Delaware-domiciled
property/casualty insurance company by
Arrowpoint Capital Corp., a Delaware
Corporation and Arrowpoint Capital, LLC, a
Delaware limited liability company, John Tighe,
Sean Beatty and Dennis W. Cahill**

Docket No. 313

PREDECISIONAL PROCEDURAL ORDER AND NOTICE

I today received the Proposed Order With Recommended Findings of Fact and Conclusions of Law Pursuant to 29 *Del.C.* §10126 (the "Proposed Order") issued by Professor Lawrence Hamermesh, Hearing Officer. I intend immediately to begin a thorough review and to issue a timely decision. At this time, I have not considered the record or recommendations in detail; nevertheless, I am aware of certain procedural matters that certain Policyholders have raised. Professor Hamermesh has recommended to me that those Policyholders who submitted written and oral comment in this proceeding be given the opportunity to comment on the Proposed Order. Recognizing that such a recommendation to me can only be implemented and given effect if considered prior to my rendering a final decision with respect to all issues presented in this proceeding, I decide only the following matters at this time:

1. I accept Professor Hamermesh's recommendation that those Policyholders who submitted written or oral comment in the proceeding be afforded an opportunity to comment upon the Proposed Order.
2. Any comments referenced in the preceding paragraph shall be filed no later than 4:30 p.m. EST on Friday, February 9, 2007, by filing simultaneously:

Original and one (copy) to:
Docket File

Attn: Deputy Attorney General Michael J. Rich
c/o Delaware Department of Insurance
841 Silver Lake Boulevard
Dover, DE 19904
Tel: (302) 674-7326
Fax: (302) 739-5566
Email: michael.rich@state.de.us

One (1) copy to:
Robert Lewin, Esquire
Stroock, Stroock & Lavan, LLP
180 Maiden Lane
New York, NY 10038-4982
Fax: (212) 806-6006
Email: rl Lewin@stroock.com

It is preferred that any filing be made by electronic mail with one hard copy original delivered to the Department of Insurance as specified above.

In addition, in the event that I accept Professor Hamermesh's recommendation and approve the underlying transaction, I will condition approval of the transaction upon the closing of the transaction being subject to a waiting period of five business days following the issuance of my Final Order. The purpose of the waiting period is to provide an opportunity for any person to seek a stay pending judicial review of my Final Order.



MATTHEW DENN
INSURANCE COMMISSIONER